ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN AUGUST

Recovery from the effects of the steel strike was more rapid than had been expected. The Federal Reserve index of industrial production, which had slumped to 191 in July — the lowest point since April, 1950 — is estimated to have rebounded to 212 in August. By the first week in September, steel production was running at capacity, and reports were that much of the industry's pre-strike backlog of military, atomic energy, and machine tool orders would be filled by September 30. Automobiles is another industry that has shaken off the effect of the steel strike in short order. The industry hopes to nearly double its August output of 240,000 cars in September and is aiming for a fourth-quarter assembly of 1.2 million cars; except for 1950, this would make the highest fourth quarter car production record in 16 years.

Judging by recent trends in department store sales, the steel strike exerted a moderate effect on retail trade. The Federal Reserve index of department store sales fell almost 5 percent from June to July, but recovered in August to top the June figure on a seasonally adjusted basis and exceed the August, 1951, figure by nearly 5 percent. It may be significant to note that the margin over 1951 increased steadily every week of the month.

Nonfarm Employment Picks Up

Reflecting the upsurge in industrial activity, nonfarm employment in August increased by 750,000 over the July level, to 55.4 million. This is about half a million larger than the number of workers in nonfarm employment in August, 1951. Total employment, however, at 62.4 million, was nearly 300,000 below last August, as farm employment, continuing its midsummer decline, dropped 600,000. This brought farm employment to slightly under 7.0 million, or 10 percent below the level of last August. Unemployment was down to 1.6 million in August — substantially the same figure as in August of last year.

Retail Prices at Peak

Retail prices continued to set new record highs while wholesale and farm prices showed little change: this was the somewhat paradoxical situation on the price front in the summer of 1952. Food prices constituted the crux of the matter. Although farm prices showed no change, on the average, for the month ended August 15, the Bureau of Labor Statistics retail food price index rose nearly one percent in the first half of August. The increase brought the index to an all-time high of 235.6 percent of the 1935-39 average, 16 percent above the pre-Korean War, June, 1950, level.

Higher food prices also proved the main cause for the new high attained by the consumers' price index in the month ended July 15. The new level of 190.8 percent of the 1935-39 average represents an increase of 0.6 percent above the previous, June high.

Government Deficit Down

The estimated Federal budget deficit in the current fiscal year, ending June 30, 1953, has been lowered to $10.4 billion from the $14.4 billion anticipated last January, according to the midyear budget review of the President. The estimate of the cash deficit, the excess of funds paid out over those taken in by the Government, was lowered from $10.4 billion to $6.8 billion.

Substantially lower expenditures on national security programs — military forces, foreign aid, atomic energy, and civil defense — mainly account for the improved budget picture. The estimated deficit would have been still further reduced were it not for an expected drop of about $3.0 billion in direct corporate tax receipts, which resulted from a lower estimate of corporate profits in 1951 and 1952.

Britain's Reserves Slump

The gold and dollar reserves of Great Britain and the other sterling area countries slumped again in August, following a momentary gain in July. A net loss of $44 million brought the sterling area's reserves down to $1.7 billion, well below the $2.0 billion generally regarded as the minimum for safety. A major cause of the decline was payment of $98.6 million by Britain to offset an adverse balance of trade incurred in July with other members of the European Payments Union. American aid to Britain amounted to $45 million in August.

The new drop in reserves, although disappointing, is well below the $210 million decline in reserves incurred monthly early this year. Britain's policy appears to have been successful, on the whole, in stemming the drain of reserves, but its success in the long run will depend largely on indirect aid furnished by this country in such forms as overseas investments and reduced tariff barriers.

PROSPECTS FOR THE U. N. DISARMAMENT COMMISSION · By R. W. Frase · Page 8

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Limits on Interest Rate Policy

In most discussions of monetary policy, the interest rate is treated simply as an instrument of control. All that is considered is how much stabilization can be accomplished by changing rates, or by other measures of credit control.

The interest rate is, however, not primarily an instrument of monetary policy. It is first of all a price, the price for loanable funds, which determines the income of lenders as a group. It is also a social and economic institution of long standing and extended controversy.

Factors Affecting the Interest Rate

A widely accepted view regards the rate of interest as being determined in a "free" competitive market, except to the extent that government policy interferes with the forces of competition. Specifically, it is charged that the low interest rates of recent years are purely the result of government manipulation. In this connection, there is a tendency to ignore the fact that the depression was largely responsible for the decline to those levels.

It is true that rates, mostly at their lows by 1940, were kept low during the war as a matter of national policy. The government was then practically the sole borrower and had to draw upon the banking system despite an unprecedented increase in savings. It appeared that the nation could neither accomplish anything useful by allowing interest rates to rise nor could it tolerate any indication of a weakening of confidence in the government's credit. The Federal Reserve provided the means of keeping rates down by supporting government security prices at par.

In the postwar period, with a public debt of over $250 billion outstanding, there again seemed little to be gained by letting interest rates go up; so the wartime policy of "pegging" was continued. As long as the "peg" was maintained, however, banks and other lenders could replenish their reserves by turning government securities over to the Federal Reserve, and this provided a ready means of expanding credit into other outlets, usually at higher rates. Throughout the decade, the expansion of loans and investments continued, with the tremendous rise in volume providing increased profits from lending operations even though rates remained low.

Only with the sharp inflationary upsurge following the Korean outbreak was there a strong argument for removal of the "peg." Accordingly, after extended controversy, prices of government bonds were allowed to fall below par, freeing the Federal Reserve to restrict credit and thus put a brake on expenditures that required credit financing. The new policy was announced in the so-called Treasury-Federal Reserve "Accord" of March, 1951, as part of which the Federal Reserve undertook to maintain an orderly market for government securities. Ironically, the inflationary advance in commodity prices was then just about halted. (See p. 5)

There can be no question that the government has acted to restrict charges on the public debt. It is hardly correct, however, to hold that all the interferences with competition in the money market are governmental in origin. These markets are stratified in various ways. Lenders typically limit themselves to certain types of loans and make them only in limited areas. Most borrowers have access to only a few sources of funds and habitually continue financial relationships that have been established. Under these circumstances, it is inevitable that various kinds of monopolistic practices should develop, just as they have in most other lines of business.

Federal Reserve Policy

With the removal of the "peg," interest rates moved up sharply, making new post-depression highs by the end of 1951. Thereafter, most rates remained fairly stable, but rates on bank loans continued to rise.

Within the last year the Federal Reserve has twice exercised its newly acquired "independence" to tighten money markets. Last December, and again in July, seasonal factors combined with government financing operations to create a sharp temporary increase in demand for short-term funds. Although a primary function of the Federal Reserve is to maintain flexibility of the money supply in just such situations, both times it stayed out of the market, letting the shortage develop until the point of disorder had been approached. Following the second occasion, on August 12, the Federal Reserve Bank of New York conceded that the Treasury bond market had declined too far. The quick firming of rates on both these occasions may be taken as an indication that the "market" is prepared to go as far in putting rates up as the Federal Reserve will permit.

The Federal Reserve is apparently operating on the philosophy that there is a clear mandate for the use of its full powers to counter any inflationary tendencies which may appear. It takes hardly more than a glance at the economic and political scene, however, to discover conflicting views as to both ends and means.

In spite of general sympathy for those whose incomes are fixed at a low level, there is no apparent consensus that price stabilization is an over-riding objective of national policy. The advantages of complete stabilization of the price level are theoretical, and it cannot be shown that such a policy is clearly in the national interest under present circumstances.

Nor can it be shown that the monetary measures so far undertaken have been effective in bringing about the price stability of the last year and a half. The basic reasons for that stability — primarily recognition by both business and consumer that inventories were accumulating at too rapid a rate — are entirely unrelated to the monetary measures undertaken.

It seems clear that up to this point no real restriction of credit has been achieved by the actions taken. The

(Continued on page 6)

POSTWAR BOOM IN FARM MACHINERY

Farm purchases of agricultural machinery and equipment hit an all-time peak of $3 billion in 1951, more than five times the total for 1940. During the same ten-year period, employment in the farm machinery industry more than doubled.

It has been estimated that there was twice as much mechanical power on farms in 1950 as in 1940. The physical volume of farm machinery purchased from 1949 through 1951 alone was slightly greater than the volume purchased during the entire decade of the 30's.

Huge postwar demand for farm implements was the result of World War II restrictions on industrial production and the exceptional prosperity of farmers, combined with tightness of labor supply and high labor costs. Without significant expansion in crop acreage and despite a decreasing number of farm workers, production on American farms has risen 29 percent since 1941, a continuation of a trend largely attributable to increasing mechanization of agriculture.

Illinois Leads the Nation

Although there are farm machinery plants in almost every state, production is concentrated in the Great Lakes area. One-third of the $1.8 billion value of farm machinery and tractors shipped in 1950 was produced in Illinois, the first ranking state in the industry. The 91 Illinois companies listed by the 1947 *Census of Manufactures* as producers of farm equipment (excluding tractors) employed 29,000 workers, 30 percent of the industry total.

There are about 1,600 firms manufacturing farm implements in the nation, but nine companies produced approximately three-fourths of the output in 1950. The larger companies have the lion's share of the business and their positions are supported by their well-established dealerships. In addition to companies manufacturing a complete line of farm equipment, however, there are hundreds of concerns which build specialized machines.

The two largest farm equipment manufacturers in the nation have their headquarters and most of their manufacturing facilities in Illinois. The International Harvester Company in Chicago is the world's largest manufacturer of farm machinery. Its parent organization, the McCormick Harvesting Machine Company, was founded by Cyrus H. McCormick, inventor of the reaper in the 1830's and one of the earliest manufacturers in Illinois.

The second largest firm in the industry, John Deere and Company, has had its main plants at Moline since 1847 when the company was established by the pioneer blacksmith who was the first manufacturer of steel plows.

Other leading companies with plants in Illinois are the J. I. Case Corporation, located at Rockford and Rock Island; the Oliver Corporation, with manufacturing facilities at Shelbyville; and the Minneapolis-Moline Company, which has a large plant at Moline.

In addition, there are other important manufacturing concerns in Illinois who sell only a part of their output to farmers. They include the Caterpillar Tractor Company at Peoria, whose Diesel tractors are commonly used on farms, and the AVCO Manufacturing Corporation, whose New Idea Division has a plant at Sandwich.

Power Farming — The Tractor Age

Nearly every phase of farm progress has centered around tractor power since World War I when the recently developed "gasoline traction engine" first proved its worth by making possible a marked increase in farm production in spite of a manpower shortage and a considerable loss of farm animals to the army.

Two significant developments in the trend toward smaller machines suitable for use on the ordinary Middle Western farm were the tricycle-type tractor introduced in 1924, and the use of rubber tires on tractors in the early 1930's which increased the speed of field operations by 25 to 50 percent.

Tricycle-type tractors made possible for the first time mechanical crop work by rows. After their development, tractor-powered planters began to appear. The speed and accuracy of tractor-powered planters in the rush of spring work have had much to do with the record yields of recent years.

Tractors brought extensive changes in the manufacture of harvesting machinery and were responsible for the rise of the combine, the machine which does the work of the reaper, binder, and thresher together. Although the combine dates almost as far back as the reaper, it was not very successful until powered by tractors. Without the combine, soybeans would never have become the major crop they are today.

The combine is often considered the greatest single labor-saving farm machine. It has been noted that no more labor is required to harvest grain with a modern combine than was formerly needed to cook the meals for binder and thresher crews.

A rapidly increasing proportion of farm work is being done by tractors and there is a trend toward tractor-mounted or semi-mounted equipment, much of it hydraulically controlled. This equipment, mounted directly upon the tractor and easily removable by one man, makes the implement a part of the tractor itself. A smaller percentage of farm implements are self-propelled.

The tricycle-type tractor serves as an ideal carrier both for many types of implements used on light jobs formerly done by horse-power, such as cultivating and planting, and for newer types of machinery such as corn pickers, mowers, and hay pick-ups and balers.

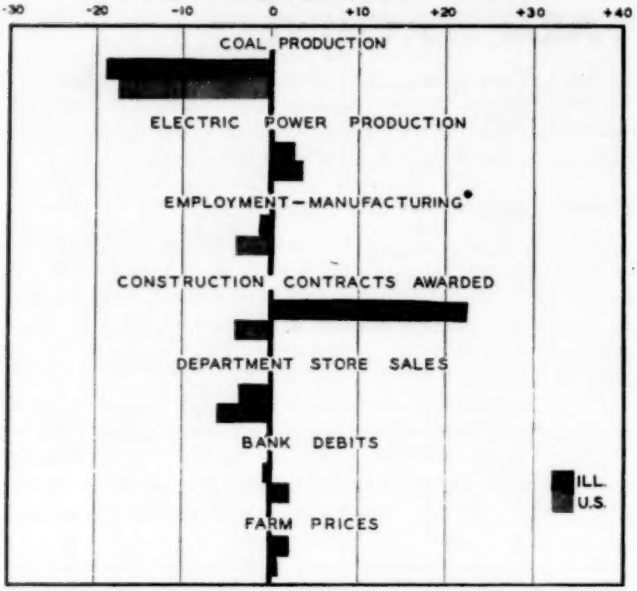
There are an estimated 4.5 million tractors in use on American farms. This equipment alone is saving farmers nearly 2 billion man-hours a year. Much of the time gained goes into more diversified farming operations — more livestock, poultry, and specialty crops, including fruits and vegetables, which add to farm income and contributes so much to the American standard of living.

KNOW YOUR STATE

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes June, 1952, to July, 1952



* May, 1952, to June, 1952.

ILLINOIS BUSINESS INDEXES

Item	July 1952 (1947-49 =100)	Percentage Change from June 1952	Percentage Change from July 1951
Electric power[1]	130.9	+ 2.2	+10.2
Coal production[2]	45.1	−19.1	−15.5
Employment—manufacturing[3]	102.1	− 1.2[a]	− 2.8[b]
Payrolls—manufacturing	n.a.	....	....
Dept. store sales in Chicago[4]	94.3[c]	− 2.9	− 5.7
Consumer prices in Chicago[5]	115.2[d]	+ 0.2	+ 2.6
Construction contracts awarded[6]	204.8	+22.0	+57.9
Bank debits[7]	133.5	− 0.4	+12.1
Farm prices[8]	116.4	+ 2.0	− 2.3
Life insurance sales (ordinary)[9]	126.8	+ 1.8	+ 7.1
Petroleum production[10]	94.1	+ 0.3	− 0.5

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.

[a] May, 1952, to June, 1952. [b] June, 1951, to June, 1952. [c] Seasonally adjusted. [d] On 1935-39 base, the index was 195.9. n.a. Not available.

UNITED STATES MONTHLY INDEXES

Item	July 1952	Percentage Change from June 1952	Percentage Change from July 1951
	Annual rate in billion $		
Personal income[1]	264.2	− 0.9	+ 3.8
Manufacturing[1]			
Sales	258.0[a]	− 1.4	+ 1.4
Inventories	42.0[a;b]	− 0.7	+ 5.3
New construction activity[1]			
Private residential	12.1	+ 2.9	+ 4.4
Private nonresidential	11.8	+ 3.9	− 2.0
Total public	12.9	+ 2.3	+19.2
Foreign trade[1]			
Merchandise exports	12.1	−13.0	−14.1
Merchandise imports	10.0	− 2.8	− 6.5
Excess of exports	2.1	−41.8	−37.8
Consumer credit outstanding[2]			
Total credit	21.2[b]	+ 1.2	+10.8
Installment credit	14.7[b]	+ 2.3	+14.2
Business loans[3]	20.6[b]	+ 0.1	+ 7.6
Cash farm income[3]	n.a.	....	....
	Indexes (1947-49 =100)		
Industrial production[2]			
Combined index	103[a]	− 5.9	− 9.9
Durable manufactures	104[a]	− 9.3	−15.5
Nondurable manufactures	105[a]	− 3.7	− 3.7
Minerals	98[a]	− 2.7	− 8.3
Manufacturing employment[4]			
Production workers	99[a]	− 2.6	− 6.9
Factory worker earnings[4]			
Average hours worked	100	− 1.2	− 0.7
Average hourly earnings	124	− 0.5	+ 3.3
Average weekly earnings	124	− 1.7	+ 2.5
Construction contracts awarded[5]	198	− 3.3	+ 9.5
Department store sales[2]	105[a]	− 5.4	0.0
Consumers' price index[4]	114[c]	+ 0.6	+ 2.9
Wholesale prices[4]			
All commodities	112	+ 0.5	− 2.1
Farm products	110	+ 2.8	− 0.8
Foods	110	+ 1.4	− 0.6
Other	113	− 0.0	− 2.7
Farm prices[3]			
Received by farmers	109	+ 1.0	+ 0.3
Paid by farmers	115	0.0	+ 1.4
Parity ratio	103[d]	+ 1.0	− 1.0

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.

[a] Seasonally adjusted. [b] As of end of month. [c] On 1935-39 base, 190.8. [d] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item		1952 Aug. 23	1952 Aug. 16	1952 Aug. 9	1952 Aug. 2	1952 July 26	1951 Aug. 25
Production:							
Bituminous coal (daily avg.)	thous. of short tons	1,833	1,650	1,590	1,392	1,117	1,792
Electric power by utilities	mil. of kw-hr.	7,718	7,627	7,495	7,405	7,328	7,077
Motor vehicles (Wards)	number in thous.	101.6	32.6	43.9	18.8	36.3	131.9
Petroleum (daily avg.)	thous. bbl.	6,209	6,204	6,181	6,047	5,983	6,140
Steel	1935-39 = 100	225.9	217.1	208.9	99.8	35.6	224.8
Freight carloadings	thous. of cars	834	806	782	733	607	839
Department store sales	1947-49 = 100	100	95	90	87	79	97
Commodity prices, wholesale:							
All commodities	1947-49 = 100	112.2	112.0	111.9	.....	111.8	113.7
Other than farm products and foods	1947-49 = 100	112.8	112.7	112.7	.....	112.6	114.9
28 commodities	August, 1939 = 100	293.4	293.8	294.1	294.6	293.5	324.4
Finance:							
Business loans	mil. of dol.	20,799	20,722	20,657	20,581	20,626	19,503
Failures, industrial and commercial	number	151	141	123	152	137	130

Source: *Survey of Current Business, Weekly Supplements.*

RECENT ECONOMIC CHANGES

Employment Expands Slightly

Bureau of Census data for August indicate a slight rise over July in employment. A substantial gain in nonfarm work was based on added factory jobs. Agricultural employment was down considerably as farm activity entered the slack period between cultivation and harvesting. The decline in unemployment to 1.6 million was due in part to rehirings following the end of the steel strike and in part to the fact that seasonal workers began to drop out of the working force. Census data, in thousands of workers, are as follows:

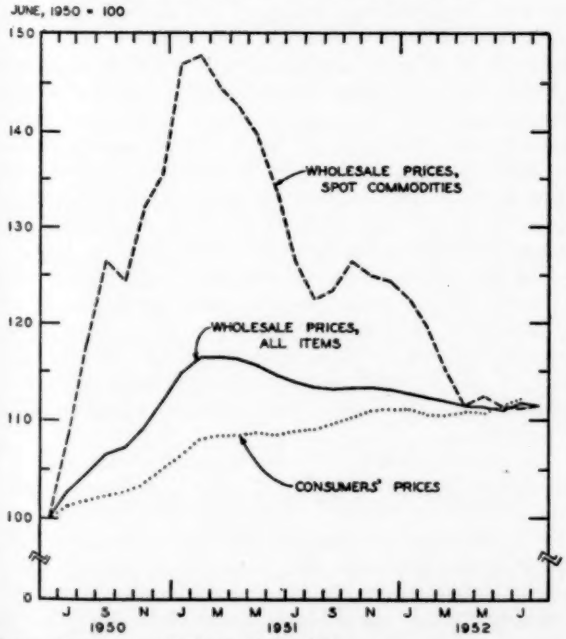
	August 1952	*July 1952*	*August 1951*
Civilian labor force	63,958	64,176	64,208
Employment	62,354	62,234	62,630
Agricultural	6,964	7,598	7,688
Nonagricultural	55,390	54,636	54,942
Unemployment	1,604	1,942	1,578

Prices Steady or Higher

There has been a substantial degree of stability in the price level in recent months, as shown by the accompanying chart. Following a sharp rise of nearly 50 percent from the June, 1950, level, the price index for sensitive commodities has settled at 110-115 percent of the pre-Korea figure. About three-fourths of the initial rise has been cancelled. The all-items wholesale price index rose 16 percent following the outbreak of war in Korea, but a gradual decline since March, 1951, has brought it down to a point 11 or 12 percent above the prewar level.

In contrast, there has been a slow, fairly continuous rise in consumers' prices. In the eight months between June, 1950, and February, 1951, when wholesale price indexes peaked, consumers' prices rose 8 percent. In the 17 months since February, 1951, the index has risen an additional 4 points to 112 percent of the base. Stable elements such as rents and service charges slowed the initial postwar rises but contributed to subsequent advances.

PRICE CHANGES SINCE JUNE, 1950



Source: Bureau of Labor Statistics.

National Product Growth Continues

Gross national product rose to an annual rate of $343.2 billion in the second quarter — $3.8 billion above the first quarter level. This is a continuation of the gradual increase that has characterized the economy over the past year. Most of the rise represented a larger physical volume of production. In June the steel work stoppage cut that industry's output to one-fifth of rated capacity, but basic metal-using industries avoided cutbacks until July by drawing on inventories. Hence, the quarterly statistics were not greatly affected.

GROSS NATIONAL PRODUCT OR EXPENDITURE
(seasonally adjusted, billions of dollars at annual rates)

	2nd Qtr. 1952	*1st Qtr. 1952*	*2nd Qtr. 1951*
Gross national product	343.2	339.4	329.3
Personal consumption	214.9	213.2	204.5
Durable goods	26.4	25.2	26.3
Nondurable goods	117.8	118.0	111.3
Services	70.8	70.0	66.9
Domestic investment	49.3	50.0	65.2
New construction	23.6	23.7	23.5
Producers' durable equipment	25.7	25.7	25.4
Changes in business inventories	.1	.6	16.3
Nonfarm inventories only	−.8	−.1	15.2
Foreign investment	.9	1.9	−.2
Government purchases	78.0	74.4	59.8
INCOME AND SAVINGS			
National income	n.a.	288.0	274.8
Personal income	264.4	263.0	251.9
Disposable personal income	231.5	230.5	223.2
Personal saving	16.5	17.3	18.7

Consumer buying rose $1.7 billion. Automotive outlays accounted for the greatest part of the advance in their first increase since the 1950 post-Korean buying wave. Sales of other durables showed a further moderate decline in the second quarter. However, the quarter ended with sales of many consumer durables on the upgrade.

Government expenditures for goods and services advanced from $74.5 billion in the first quarter of the year to $78 billion in the second. This $3.5 billion increase approximates that of the advance in total GNP. Most of the increase occurred in national security expenditures. Of this rise military construction and the accelerated flow of hard goods accounted for the greater part.

Gross private domestic investment fell slightly below the $50 billion annual rate of the first quarter. The entire drop of $16 billion from the $65 billion mark of the second quarter of 1951 is the result of reduced accumulation of inventories by manufacturers and distributors.

New Capital Expenditures Data

The Department of Commerce's *Survey of Current Business* for August presented detailed industry breakdowns of capital outlays by nonmanufacturing concerns, comparable to those previously published for manufacturers. The new figures permit an appraisal of the nonmanufacturers' contribution to the over-all level of capital goods demand.

At the end of World War II, established firms expanded or improved their facilities and an abnormally large number of new concerns were started. Together, they spent $4.7 billion in 1945 for new plant and equipment. By 1948 their capital expenditures amounted to

almost $13 billion. The prewar 1939 level was about $3.5 billion. Nonmanufacturing outlays in 1945 represented just under 55 percent of total nonagricultural business capital expenditures; in 1948 it was 60 percent.

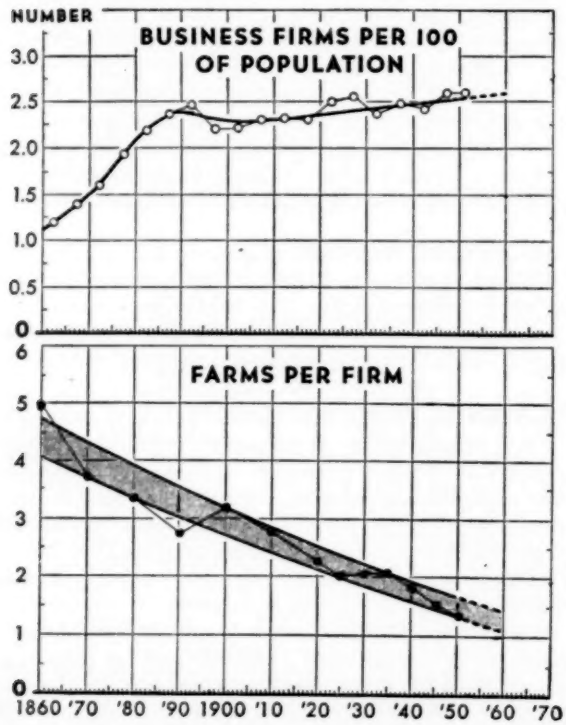
From 1948 to 1949 the nonmanufacturers' capital expenditures dropped about 5 percent. This was considerably less than the manufacturing group's drop for the same period.

With the onset of Korean hostilities nonmanufacturing capital outlays moved up once more. This advance was restricted in 1951 because the spending of industries not actively engaged in the mobilization effort went on the downgrade, but the declines in these industries were offset through the first quarter of this year by the continued capital expansion of mining, public utilities, the railroads, and communications companies.

Fewer Farms, More Businesses

The Department of Agriculture has provided another measure of the increased industrialization of the United States. In 1860, there were 2 million farms and 400,000 business firms, a ratio of 5 to 1. At the beginning of the 1950's there were 5.4 million farms and 4 million firms, a ratio of 1.35 to 1. In the next two decades there will probably be a further reduction in the number of farms, reflecting increases in the size of farms and in the output per farm. The business population, on the other hand, has been growing and can be expected to continue expanding with the opportunities in commerce and industry added by the general population increase. As illustrated by the accompanying chart, there has been a steady, gradual upward trend since 1920 in the number of business firms per 100 of population. A continuation of this trend together with the decline in the number of farms would result in a ratio of about 1 farm for each business firm by 1970.

TRENDS IN NUMBER OF BUSINESS FIRMS



Source: U. S. Department of Agriculture.

Limits on Interest Rate Policy

(Continued from page 2)

Federal Reserve did force the banks to borrow from it, and it is generally assumed that they regard this as a last resort, but the volume has been so limited as to lack importance. Loans and investments have continued to expand and there has been no letdown in private investment other than that resulting from the inventory reversal.

Controversy Over Higher Rates

Although few contend that the rise in interest rates has resulted in any serious harm up to this point, the situation reflects all the elements of a struggle for relative advantage. Every time an action on interest rates is taken, a transfer of income is also effected. If as a result of such action, prices dropped back, the value of money would rise and lenders would doubly benefit. The incentive is strong to push the Federal Reserve as far as possible in this direction.

Resistance to any such move is, however, sure to develop. The issue was clearly stated by Mr. Clark in the January report of the Council of Economic Advisers:

> An increase of one-third in the basic commercial interest rate of larger banks, leading to general increases in other bank interest rates, was hailed as a valuable contribution to economic stability. All other businessmen are criticized when they exploit a situation by raising their prices by a much smaller percentage.

Whether an increase in interest rates has a significant effect on total spending and prices is a matter of controversy. The rate of return expected on most business ventures is so high that slightly higher interest charges are of small consequence. It is the restriction of credit as such, whether or not the interest rate is raised, that is generally assumed to place the restraint upon unnecessary spending. This leads, of course, to the retort that a restriction of credit cannot be accomplished without some increase in interest rates. Whatever the merits of this argument, it is clear that an increase in interest rates can be accomplished without a significant restriction of credit.

The primary opposition to such a development is bound by the nature of the situation to come from the government itself. The inflation derives not from economic developments, but from our foreign affairs. The special article in this issue portrays the difficulty clearly. The peak of military spending has not yet been reached; and with security programs expanding faster than revenues, the government is again in the position of borrowing to finance a deficit. In these circumstances, it is not too far-fetched to present the controversy over monetary policy as one between the Treasury, as guardian of the public purse, and the Federal Reserve, as focal point of the pressures from the financial community.

The question is, how far will the Federal Reserve go in letting interest rates rise, and how far can it go without losing its "independence"? That there are limits not very far off seems clear. Speeches have been made in favor of the Federal Reserve's position by members of Congress, but the actual votes taken so far have curtailed its powers.

The future course of international events will in all probability be determining. If the emergency lessens, there will be no necessity for tightening credit further. If it becomes more acute, anti-inflation measures will be in order, but not — as Mr. Clark pointed out — in the form of a monetary policy that permits one sector of the economy to make unrestricted gains while everything else is being controlled. VLB

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Defense Plant Location

The United States Department of Commerce has announced publication of a guidebook to help communities and manufacturers select sites for new defense-supporting plants which will afford relative security from enemy attack. Entitled *Industrial Dispersion Guidebook for Communities,* the new publication tells how national dispersion standards may be applied to any particular metropolitan area. The National Industrial Dispersion Program, announced in August, 1951, provides that new defense production facilities be located 10 or more miles from highly industrialized or densely populated sections or from major military installations. Proper location according to these criteria is necessary before new plants may receive Government defense production aid. The *Guidebook* gives detailed instructions on conducting the dispersion survey, which it describes as the "means of identifying potential target zones." It tells what data and maps are needed and where to get them and how to keep information current. Copies are available at 20 cents each from the field offices of the Department of Commerce.

Grinding Wheel

A new type of cup grinding wheel which retains its sharp cutting edge throughout its service life is now in production. The wheel has a hard shell of abrasive built around a core of rapid cutting resin-abrasive construction. This shell, which is three-sixteenths of an inch thick, resists "mushrooming" or rounding of the wheel's cutting edge, and wear occurs evenly across the entire surface of the wheel. It is particularly useful for grinding hard-to-reach corners and complicated shapes. Foundry operations, weld finishing, and machine shop work are some of the applications for the new wheel which is marketed under the trade name "U. S. Royalite Hard-Shell Cup Wheel" by the U. S. Rubber Company (Rockefeller Center, New York 20, N. Y.).

Modernizing Office Procedures

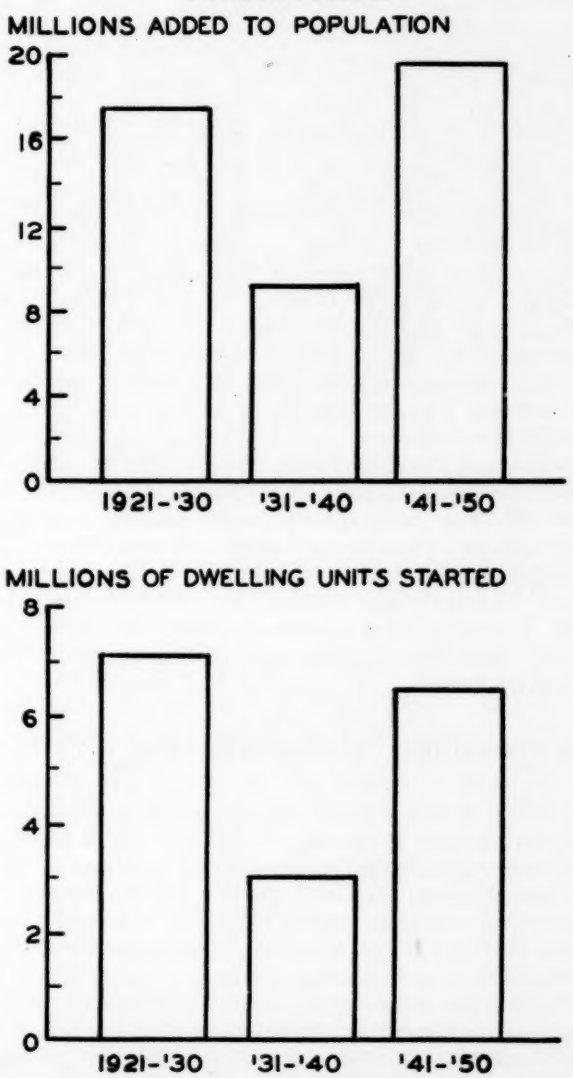
A recent bulletin of the Business Management Service of the University of Illinois, entitled *Modernizing Office Procedures,* states that management must develop programs designed to effect economies in office performance through modernization of operating methods and procedures in order to offset spiraling costs of office operation. Additional paper work requirements and a decline in individual productivity in many cases have not been offset by advances in office mechanization. A considerable portion of cost advances may also be attributed to the evolution and perpetuation of office systems, methods, and procedures which have failed to keep pace with the times. The bulletin tells how to plan a modernization program, how to conduct procedures studies, and how to utilize equipment and personnel to greatest advantage.

Population Stimulates Construction

The Big News Is the Birth Rate is the title of a booklet recently published by the F. W. Dodge Corporation. It foresees no letup in construction demand as the nation's rising birth rate increases the need for productive capacity and shelter facilities. The United States baby crop of 3.9 million in 1951 broke all records. It was a continuation of a trend which saw a record number of marriages in 1946 followed by a birth rate in 1947 almost as high as the 1951 figure. The year 1947 was the first since 1915 that the nation's birth rate was over 25 per thousand of population.

During each of the past five years the net gain in population has been more than 2.5 million. The connection between population and construction is illustrated by the chart which compares population net gains in the past three census decades with numbers of new nonfarm dwelling unit starts. During the 1930's the population gain was only half the total of the previous decade and there was a 58 percent decrease in the number of new dwelling units and a 38 percent decline in total construction volume. In contrast, the 1940-1950 decade showed a 116 percent increase over the depression years in number of new persons added to the population and it had a 115 percent increase in new nonfarm dwelling units.

POPULATION GROWTH AND HOUSING CONSTRUCTION



Source: F. W. Dodge Corporation.

PROSPECTS FOR THE U. N. DISARMAMENT COMMISSION

ROBERT W. FRASE

EDITOR'S NOTE: The cold war is so important an influence in our lives today and is building such a vast potential of destruction for the future that any good review of the world armaments situation bears repetition and emphasis. For this reason we are featuring a special article that is a condensed version of one appearing in the May, 1952, issue of the *Atomic Scientists' News*. This article was so highly thought of by Senator Ralph Flanders (R., Vt.), that he brought it up on the floor of the Senate on July 2 in place of a speech he had been intending to make on the same subject.

The international control of atomic energy and the reduction and control of other armaments are now to be treated as integral parts of one general problem by the new Disarmament Commission of the United Nations, established by the General Assembly in January, 1952. Are the prospects for progress any better in the new Commission than they were in the two previous separate U. N. commissions on Atomic Energy and Conventional Armaments, which reached an impasse about 3 years ago and have been marking time since then?

Realistically considered, even the most optimistic possible answer would be that the new Commission has the advantage of more rational terms of reference, but this advantage may be more than counterbalanced by the present state of international suspicion and distrust. The debates in the last U. N. Assembly strongly suggest that the creation of the Disarmament Commission was more an incident in the propaganda battle than the reflection of a belief that negotiated disarmament was a promising way out of the present East-West conflict and arms race. This conflict has now become such an all-out affair — embracing political, economic and military activities in all quarters of the globe — that it seems unlikely that agreement can be reached to reduce or to sterilize the military aspect of the conflict, and thus in essence to agree to compete only in the political and economic spheres, unless it can be logically demonstrated that this may be a way out which serves the interests of both parties.

The one example in recent history of an international agreement on arms limitation, the Washington Treaty of 1922, offers no assurance of success in the present situation. All three major parties — the British, Americans, and Japanese — were then on relatively good terms; their interests were not yet in acute conflict in any part of the globe. The limitation of major naval vessels seemed to offer a way of perpetuating this state of affairs, and at the same time to save each of the parties a large amount of money.

The Present and Prospective Balance of Power

The current prospects of reaching an arms limitation agreement appear far less promising because the present balance of power is so complex that there is no relatively simple way of substituting an agreement for further competition in arms. However, analysis of the present and prospective power balance does tend to show that victory for either side is by no means assured, that the present competition in arms has no discernible "natural" stopping point and that a war might well lead to the exhaustion and impoverishment of all participants. Thus it would appear reasonable for both sides to explore seriously what might be worked out in the way of an arms limitation agreement, even though this might be a lengthy process with no simple formula now in sight.

There is and has been since the end of World War II a certain balance of power as between Russia and her satellites and the West. It is a new kind of military balance, but it has shown a considerable durability in surviving crises like the Berlin dispute and the Korean war. In Europe, the most important and active area of conflict, this balance has consisted essentially of United States air-atomic power against the superior ground forces of the U. S. S. R. Since about two or three years after the close of World War II, the Red Army has been in a position to overrun all of continental Europe, and the United States has presumably had the power to destroy most of the major Russian cities and industrial centers by atomic bombing.

In the last 2 years this power balance has been changing and becoming more complicated, and it promises to become even more so. The West has been aware, especially since the first Soviet atomic test in the autumn of 1949, that its atomic advantage might become relatively less great — not only by the growth of the Soviet atomic stockpile, but by increased Russian defensive strength in interceptor jet aircraft, antiaircraft artillery, and radar warning systems.

But if Russia could catch up in the atomic field, so could the West in the field of ground forces and supporting tactical air forces in Western Europe. Western Europe, through NATO, could build a ground defensive force capable of preventing the occupation of Europe by the Red Army. Thus the simple postwar balance of United States air-atomic power against the Red Army would be replaced by a dual balance: Western ground forces against Eastern ground forces and Western air-atomic power against Eastern air-atomic power.

The Russians have obviously not appreciated the prospect of this new dual balance of power. Presumably they do not care about balance and would prefer to have a preponderance of power on their side.

At any rate, the Soviets have been endeavoring to weaken the Western effort to achieve a new dual balance by a fairly complicated series of military and political measures. The obvious main points in their strategy appear to be:

1. To increase their ground forces to continue their superiority in this field.

2. To slow down the development of Western ground forces in Europe by a series of political measures, such as increasingly attractive offers of unification to keep Western Germany from going into the NATO coalition as an armed partner.

3. To sap the military and economic strength of the Western coalition by various political and military activities in other areas of the world, as for example in Indochina and Malaya. If continental Southeast Asia were lost to the West, the loss of the tin and rubber might have a most serious effect, both economically and militarily.

4. To build up Soviet defensive strength in the air as a shield against possible United States atomic bombing. Considerable success has already been achieved in the quantity production of the MIG jet fighter.

5. To increase Soviet atomic production. There are some reasons to be hopeful that restricted sources of

uranium and a limited industrial system strained by other requirements may have held down Soviet atomic bomb production. However, for Soviet purposes a much smaller supply of bombs than the United States possesses might prove adequate (1) as a blackmail threat to destroy the large cities of Western Europe, and (2) as a means of preventing the landing of overseas troops in Europe by bombing of ports and amphibious landing operations.

The Case for Arms Limitation

This analysis of the present and prospective balance of power is sketchy and could be elaborated in much greater detail, but perhaps enough has been said to indicate that this is no simple and easy equation from which it is possible to predict with confidence that the West will surely succeed in its efforts and the Soviets will fail in theirs. If anything the problem promises to become more complex as Germany and Japan regain control of their own destinies and have an opportunity to maneuver to promote their own interests.

Beyond this, and of major importance, it is difficult to see where a stopping point can be reached in competitive armament. There is a unique feature in atomic armament which will tend to perpetuate an arms race indefinitely: unlike other weapons, atomic bombs do not become obsolete or deteriorate. Improved bomb mechanisms may have to be substituted for older models from time to time, but the basic nuclear explosive will last for decades and thus the stockpiles will continue to grow indefinitely. Various published estimates placed the United States production of atomic bombs 2 years ago at 50 to 100 a year. With the apparent improvements in efficiency in the utilization of U-235 and plutonium, and the expansion of production facilities which have since been announced, that production rate may well be tripled or quadrupled by the middle of this decade. The Russians are presumably making every effort to match this production. When it is considered that something of the order of 50 atomic bombs delivered on target would equal the destruction of German cities caused by bombing with conventional explosives in World War II (housing for 7,500,000 persons destroyed) a rough measure is provided of the magnitude of the potential destruction which is being added to year by year in atomic stockpiles.

The Task of the New Commission

There seems to be no conceivable way other than by international agreement by which the continued accumulation of these bomb stockpiles can be halted and reversed. Somewhat paradoxically, however, it seems probable that the new Commission will make more progress if it concentrates its initial efforts on the development of an arms reduction and control scheme for non-atomic weapons. Since neither side has put forth any substantive plan for conventional armaments, it may be possible to get ahead here without haggling over hardened points of dispute such as exist in the atomic energy field.

This task in itself will be neither easy nor short. The three basic questions to be explored are:

1. What armaments are to be reduced and controlled? Should an attempt be made to reduce and control everything, setting up a quota for each country in every category from pistols to heavy bombers? Or should reduction and control be limited to major weapons like tanks, heavy artillery, and bombing aircraft?

2. What arms quotas are to be permitted to the various signatory countries and on what basis are these quotas to be set? The United States delegation at the last Assembly session in Paris suggested using population and national income as a base for setting national quotas of armaments and armed forces. For example, armies might be limited to 1 percent of population and armaments expenditure to, say, 5 percent of national income.

3. Once agreement is reached on these two major substantive questions of what arms are to be limited and what quotas are to be permitted each participating country, it would then be in order to proceed to the questions of implementation. Here the two major points are the timing for the placing of agreed quotas into effect, and the inspection or supervision required to assure that the arms quotas were being complied with. Thus far the discussion and controversy in the U. N. — both on conventional armaments and on atomic energy — has revolved almost exclusively around these implementing questions.

If after thoroughly exploring the problem of limiting and controlling conventional armaments the new Commission turns again to atomic energy, the atomic control problem will almost certainly appear in quite a different light than it did when the old Atomic Energy Commission ceased active work in 1948. If the Russians have agreed to an inspection system which appears adequate to enforce limitations on other armaments, much the same system would probably serve the purpose of policing an atomic control system as well.

It would also then be necessary for the Disarmament Commission to take up all the unfinished business of the old AEC, which is far more complicated than the U. N. Majority Plan seems to indicate. For example, what quotas of atomic production are to be permitted in each country to establish a "strategic balance" in the geographical distribution of atomic production facilities? What is to be done with the present atomic stockpiles and the atomic production facilities, like the United States plants at Hanford and Oak Ridge, which would probably be worthless or nearly so for the economic generation of electric power? Finally, how is it possible to provide reasonable assurance that no significant amount of fissionable material has been secreted away for future aggressive use? These are questions which grow more serious as production increases and stockpiles accumulate. In brief, the U. N. Majority Plan — which is less a plan than a partly completed outline — would require some months of work to complete, to bring up to date, and to fit into a larger program of limiting other armaments and armed forces as well.

Summary

The circumstances surrounding the creation of the new Disarmament Commission were not the most auspicious, but it is some gain that it exists.

The present and prospective high-armament balance of power is building up an enormous destructive potential, which could be set off by an accident, a miscalculation, the pressure of internal politics, a minor ally, or a partly irrational man in power like Hitler. Progress is most likely to be made in the Commission by starting with an attempt to develop a modern plan for conventional armaments. The half-finished atomic-control problem could then be taken up in a new perspective in which many of the old points of dispute might prove to be irrelevant.

The alternative on the most optimistic assumption is some years or decades of a garrison economy for many countries — on the most pessimistic, an inferno which has no historical counterpart.

LOCAL ILLINOIS DEVELOPMENTS

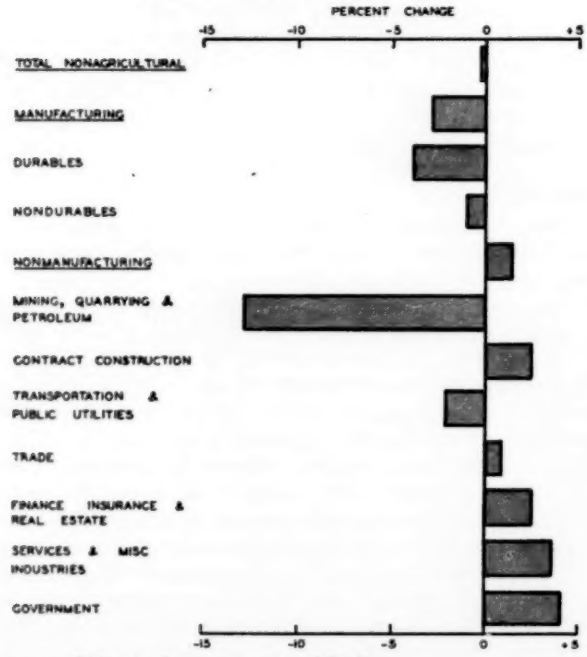
Several of the Illinois business indexes (see page 4) showed a summer slump. Coal production for July was off nearly one-fifth, manufacturing employment was down 1.2 percent, and department store sales in Chicago declined 2.9 percent from the previous month's level. These declines were offset by expanded activity in other lines. Electric power production rose 2.2 percent over June, and construction contract awards were 22.0 percent higher in July than they were in June. Steel production was slightly higher than in June, but remained low because of the strike.

Employment Off Slightly

Total nonagricultural employment declined fractionally from May to a level of 3,293,000 in June. Seasonal gains were counterbalanced by the steel strike. All groups except manufacturing and government showed gains, with an advance of 4.4 percent in construction employment leading the way. In the manufacturing industries decreases in durables work more than offset rises in nondurables employment; as a result, the total number of manufacturing workers dropped 1.2 precent to the lowest level since January, 1951. Employment in primary metals production was off 26.7 percent because of the steel walkout.

Compared with June, 1951, total nonfarm employment for June, 1952, was off 0.2 percent, as shown by the accompanying chart. Decreases in manufacturing employment were only partly balanced by additions of workers in nonmanufacturing jobs. Within the manufacturing classification, large declines in the number of workers engaged in the production of such durables as primary metals and stone, clay, and glass items outweighed expanded employment in the manufacture of electrical machinery and equipment, transportation equipment, and instruments.

EMPLOYMENT CHANGES IN ILLINOIS, JUNE, 1951, TO JUNE, 1952



Source: Illinois Department of Labor.

The largest decline among the chief subgroups occurred in mining, quarrying, and petroleum production (off 12.8 percent). Employment gains in contract construction; trade; finance, insurance, and real estate; services and miscellaneous industries; and government were substantial and exceeded the losses in mining and transportation and utilities, so that total nonmanufacturing, nonfarm employment rose 1.4 percent during the year.

Farm Prices Rise

Prices received by Illinois farmers were up 2.0 percent on July 15 from the level of the previous month. A decrease of 1.1 percent in crop prices was more than balanced by a 3.3 percent advance in the prices obtained for livestock and livestock products. The gain in the latter category chiefly reflected higher prices for dairy products. The index of prices received stood at 299 (1910-14 = 100) at mid-July; with prices paid unchanged at 286, parity rose from 102 to 105. On July 15, 1951, the parity ratio was 109.

Contract Awards Up Sharply

The value of construction contracts awarded throughout the State rose sharply from June to July, according to data released by the F. W. Dodge Corporation. The July total of $108.8 million was 22.0 percent over June. The increase was more than accounted for by the 83.6 percent advance in the value of nonresidential building awards to $48.8 million; commercial awards more than doubled, and contracts for commercial building more than tripled in value. Residential construction contracts rose only 0.3 percent. Awards for public works and utilities were off by 13.1 percent.

In comparison with July, 1951, awards were much higher in value. All classifications showed substantial gains, with nonresidential building up 135.3 percent. The over-all advance was 57.9 percent. For the first seven months of 1952, contracts let totaled $634.4 million, more than 14 percent above the valuation level for the corresponding period of 1951.

Labor Difficulties

Illinois had its share of the nation's labor troubles in August. About 1,600 packing house workers walked off their jobs at an Armour plant at National Stockyards to back up contract demands, but the walkout was a short one. In several Illinois cities, International Harvester had a variety of problems with two different unions. Contract demands and "speed-up" grievances were involved in most cases. Part of the difficulties arose from union protests against a prospective move of a twine raill from Chicago to New Orleans. Several hundred workers were also off the job at Rockford in a contract dispute with Borg-Warner, makers of auto and aircraft parts, appliances, and farm implements.

Crop Report

July's hot, dry weather in central and southern Illinois cut crop prospects slightly. The most severe damage occurred in the river counties of southern Illinois. The August 1 forecast indicated a decline of one bushel per acre for corn and half a bushel per acre for wheat. The outlook for both crops remains above average, however. Soybeans were also in fairly good condition on that date.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

July, 1952

	Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS	**$31,462**	**804,147**[a]	**$507,454**[a]		**$11,672**[a]	**$10,659**[a]
Percentage Change from... June, 1952	*+79.5*	*−0.4*	*−3.2*	*−18.9*	*−0.4*	*−3.3*
Percentage Change from... July, 1951	*+62.6*	*−0.2*	*−0.0*	*−1.3*	*+12.1*	*+8.6*
NORTHERN ILLINOIS						
Chicago	**$21,836**	**620,996**	**$369,480**		**$10,671**	**$9,319**
Percentage Change from... June, 1952	*+90.5*	*+1.2*	*−2.4*	*−19.2*	*−0.0*	*−3.1*
Percentage Change from... July, 1951	*+90.5*	*−1.1*	*−0.9*	*−2.0*	*+12.6*	*+16.6*
Aurora	**$ 854**	n.a.	**$7,189**		**$ 43**	**$ 76**
Percentage Change from... June, 1952	*+208.3*		*−2.8*	*−22.3*	*−9.9*	*−2.4*
Percentage Change from... July, 1951	*+74.6*		*−0.6*	*−4.3*	*+12.2*	*+4.0*
Elgin	**$ 282**	n.a.	**$5,147**		**$ 27**	**$ 65**
Percentage Change from... June, 1952	*+3.3*		*−3.6*	n.a.	*−13.2*	*−17.4*
Percentage Change from... July, 1951	*+17.0*		*+0.0*		*+6.7*	*+38.4*
Joliet	**$2,306**	n.a.	**$10,393**		**$ 51**	**$ 55**
Percentage Change from... June, 1952	*+625.2*		*−5.5*	*−16.4*	*−7.6*	*−12.5*
Percentage Change from... July, 1951	*+533.5*		*+9.1*	*+0.4*	*+11.9*	*+10.5*
Kankakee	**$ 335**	n.a.	**$5,263**		n.a.	**$ 29**
Percentage Change from... June, 1952	*+168.0*		*+0.2*	*−23.2*		*+17.5*
Percentage Change from... July, 1951	*+135.9*		*+16.0*	*+3.9*		*+2.9*
Rock Island-Moline	**$1,364**	**15,653**	**$9,754**		**$ 35**[b]	**$ 129**
Percentage Change from... June, 1952	*+11.9*	*−10.8*	*−6.4*	n.a.	*−0.3*	*−2.1*
Percentage Change from... July, 1951	*−59.5*	*−5.3*	*+1.7*		*+4.9*	*+15.9*
Rockford	**$1,633**	**23,366**	**$14,926**		**$ 128**	**$ 132**
Percentage Change from... June, 1952	*+207.5*	*−11.9*	*−8.8*	*−23.2*	*−6.1*	*−14.6*
Percentage Change from... July, 1951	*+129.0*	*+6.9*	*−5.9*	*−2.1*	*+6.1*	*+2.4*
CENTRAL ILLINOIS						
Bloomington	**$ 94**	**5,673**	**$5,486**		**$ 51**	**$ 89**
Percentage Change from... June, 1952	*−21.7*	*+1.3*	*−3.6*	n.a.	*−0.7*	*−21.7*
Percentage Change from... July, 1951	*−61.5*	*+8.4*	*+7.1*		*+5.5*	*+31.0*
Champaign-Urbana	**$ 236**	**7,526**	**$7,587**		**$ 53**	**$ 63**
Percentage Change from... June, 1952	*+4.0*	*−0.1*	*−0.8*	n.a.	*−3.4*	*−11.0*
Percentage Change from... July, 1951	*+30.4*	*+8.0*	*+6.6*		*+9.4*	*+19.3*
Danville	**$ 205**	**7,628**	**$6,131**		**$ 44**	**$ 45**
Percentage Change from... June, 1952	*+10,150.0*	*+9.3*	*+1.7*	*−20.6*	*+7.6*	*−6.1*
Percentage Change from... July, 1951	*+16.5*	*+11.2*	*+4.3*	*+4.1*	*+15.6*	*−1.7*
Decatur	**$ 302**	**20,272**	**$9,438**		**$ 84**	**$ 91**
Percentage Change from... June, 1952	*+112.7*	*+4.2*	*−3.5*	*−11.6*	*−7.8*	*+5.8*
Percentage Change from... July, 1951	*+22.8*	*+7.4*	*+5.2*	*+2.2*	*+19.3*	*+16.3*
Galesburg	**$ 146**	**5,809**	**$3,954**		n.a.	**$ 30**
Percentage Change from... June, 1952	*+4.3*	*+2.0*	*−4.8*	n.a.		*+5.4*
Percentage Change from... July, 1951	*+13.2*	*+9.2*	*−1.4*			*+5.9*
Peoria	**$ 515**	**36,557**[c]	**$16,988**		**$ 199**	**$ 176**
Percentage Change from... June, 1952	*+8.4*	*−18.3*	*−6.2*	*−20.1*	*−8.2*	*−7.7*
Percentage Change from... July, 1951	*−35.9*	*−14.2*	*−0.6*	*−4.0*	*−0.3*	*+3.8*
Quincy	**$ 213**	**6,240**	**$4,699**		**$ 34**	**$ 63**
Percentage Change from... June, 1952	*−33.2*	*−8.9*	*−6.8*	*−11.0*	*−3.1*	*+14.1*
Percentage Change from... July, 1951	*−0.5*	*−5.5*	*+1.1*	*+3.0*	*+9.3*	*+19.2*
Springfield	**$ 662**	**24,986**[c]	**$12,834**		**$ 89**	**$ 197**
Percentage Change from... June, 1952	*+180.5*	*+1.2*	*−7.7*	n.a.	*+3.7*	*+11.5*
Percentage Change from... July, 1951	*+147.9*	*+13.7*	*+0.8*		*+11.7*	*+17.9*
SOUTHERN ILLINOIS						
East St. Louis	**$ 242**	**12,312**	**$9,176**		**$ 130**	**$ 46**
Percentage Change from... June, 1952	*+28.0*	*−0.8*	*−7.1*	n.a.	*+0.6*	*−7.0*
Percentage Change from... July, 1951	*−25.8*	*+13.7*	*+4.0*		*+5.1*	*+12.6*
Alton	**$ 158**	**11,725**	**$4,824**		**$ 33**	**$ 24**
Percentage Change from... June, 1952	*+26.4*	*+6.3*	*−3.6*	n.a.	*−0.9*	*−4.8*
Percentage Change from... July, 1951	*−25.8*	*+11.1*	*+9.2*		*+15.8*	*+24.9*
Belleville	**$ 79**	**5,404**	**$4,184**		n.a.	**$ 33**
Percentage Change from... June, 1952	*+1.3*	*+22.4*	*−8.9*	n.a.		*+1.2*
Percentage Change from... July, 1951	*−20.2*	*+26.6*	*+5.1*			*+2.4*

Sources: [1] U. S. Bureau of Labor Statistics. Data include Federal construction projects. [2] Local power companies. [3] Illinois Department of Revenue. Data are for June, 1952, the most recent available. Comparisons relate to May, 1952. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. [5] Local post office reports.

[a] Total for cities listed.

[b] Moline only.

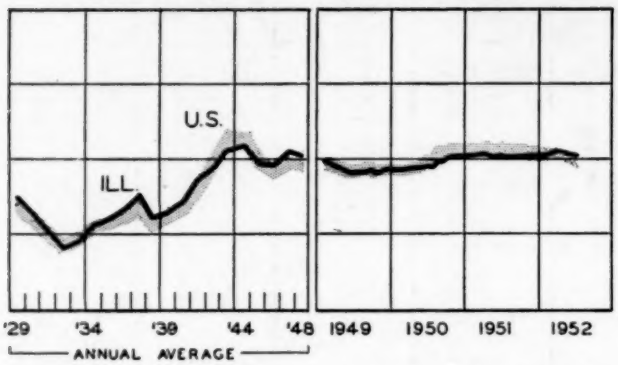
[c] Includes immediately surrounding territory.

n.a. Not available.

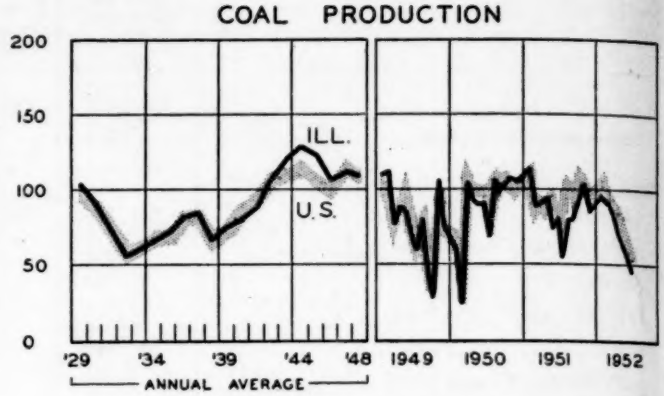
INDEXES OF BUSINESS ACTIVITY

1947-1949 = 100

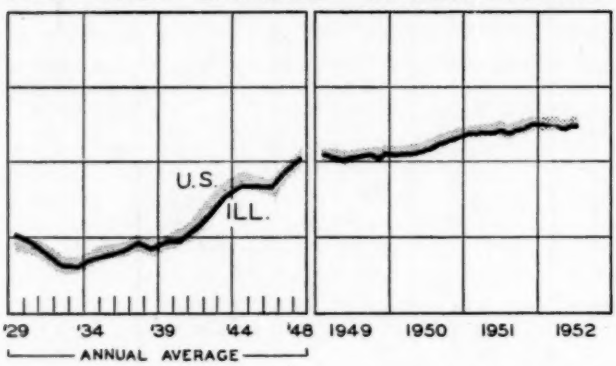
EMPLOYMENT – MANUFACTURING



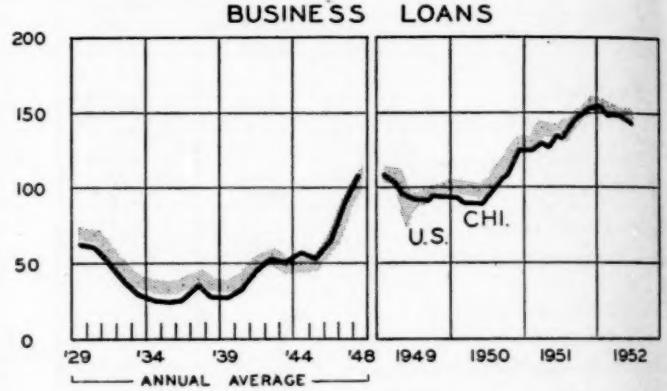
COAL PRODUCTION



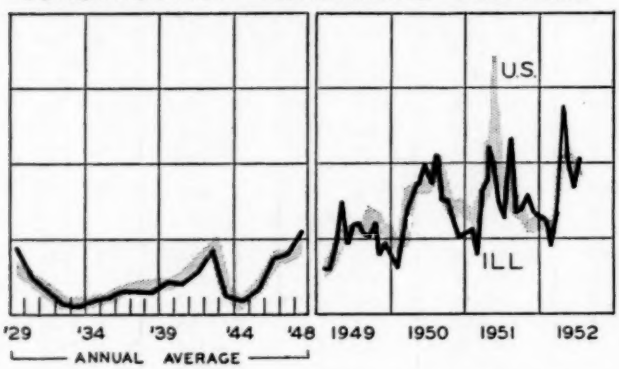
AVG. WKLY. EARNINGS – MANUFACTURING



BUSINESS LOANS



CONSTRUCTION CONTRACTS AWARDED



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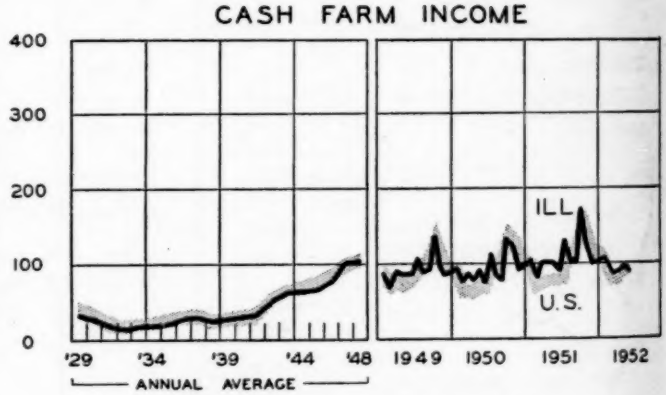
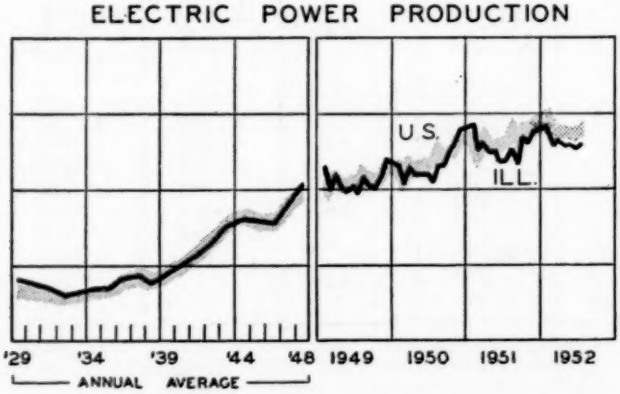
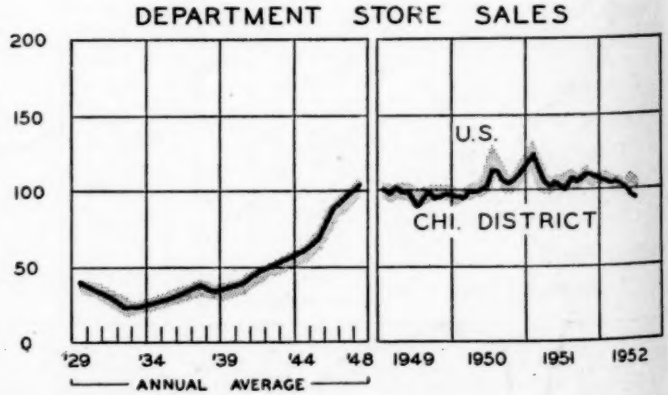


ELECTRIC POWER PRODUCTION



DEPARTMENT STORE SALES